

# Saving Money on Prescription Drugs



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## Saving money on prescription drugs

There are a number of programs that provide prescription drugs to seniors at a discount. These programs are provided by federal and state agencies, drug companies and some private organizations. They are directed primarily at those who can't afford prescription drugs at retail prices.

While lawmakers continue working to make prescription drugs more affordable for Californians, there are steps you can take

now to lower your costs. Some discounts come directly from manufacturers; others cover a broader range of medicines, including over-the-counter items (like aspirin or cough syrup). Certain discount programs come with enrollment fees, some require membership cards, while others offer savings to anyone with a Medicare card.

Understanding these programs and their different eligibility requirements and application procedures can be difficult and confusing. The information in this pamphlet can help determine which programs you might be eligible for, answer basic questions about prescription drugs and provide additional resources.

There is also a list of dos and don'ts for buying drugs on the Internet. New discount programs become available often, so check with your health plan, pharmacy and senior membership programs for updated information.

## For those on Medicare

Medicare is the federal program that provides health insurance for people who are at least 65 years old and for younger people with certain disabilities or diseases.

### **MEDICARE PART D**

Legislation passed by Congress established the Medicare prescription drug benefit plan entitled Medicare Part D. Effective January 1, 2006, the plan provides outpatient prescription drug coverage and saves Medicare recipients on their prescription drug needs. It is voluntary and, as with other insurance plans, a monthly premium is charged, as well as a co-payment for each filled prescription.

All Medicare drug plans must provide coverage that meets at least the standard level set by Medicare. Following are descriptions of the payments required through the calendar year, but your actual costs will vary depending on a number of variables.

- **Monthly premium:** Most drug plans will charge a monthly premium in addition to the Medicare Part B premium. The premium fee will vary depending on the chosen plan.
- **Yearly deductible:** The amount paid by the enrollee for health care or prescriptions, before Medicare, the enrollee's prescription drug plan, or other insurance begins to pay.
- **Copayments:** The amount the enrollee may be required to pay as the share of the cost for a medical service or prescription. The copayment is usually a set amount, rather than a percentage.
- **Coverage gap:** Most plans have a coverage gap called the "donut hole" which occurs after the enrollee and the plan have spent a specified amount for covered drugs. At this point, the enrollee has to pay all costs out-of-pocket up to a specified limit.

Starting in 2011, if you reach the coverage gap, you will receive a 50% discount when buying Part D covered brand-name prescription drugs, and you will start to pay less and less for your generic Part D drugs.

Over the next nine years, you will receive additional savings until the coverage gap is closed in 2020.

For more information about the new health care law, call 1-800-633-4227 or visit [www.medicare.gov](http://www.medicare.gov).



- **Catastrophic coverage:** Once the plan's out-of-pocket limit is reached, the enrollee automatically gets catastrophic coverage which assures that the enrollee pays only a small copayment for the rest of the year.
- **Extra Help:** An enrollee may qualify for "extra help" paying Part D costs. The low-income subsidy program makes cost-sharing assistance available to those individuals who are eligible for both Medicare and Medi-Cal or are receiving Supplemental Security Income (SSI) benefits. This program provides support to reduce copayments to no more than \$2.50 for each generic prescription to \$6.30 for each brand-name prescription (for covered drugs).

The key in maximizing the benefits from a Part D plan is to choose a drug plan that will cover most or all needed medications. This can be a challenging question as there are many different variations under Part D. The Medicare website, your local pharmacist, and the Health Insurance Counseling and Advocacy Program (HICAP) are helpful resources in choosing the most beneficial drug plan.

If drug costs are not affordable, there are options to pursue, including pharmaceutical assistance programs (PAPs), the Co-Pay Relief program, prescription drug discount cards, or online pharmacies. Many pharmaceutical companies offer some prescription assistance to qualified applicants. Several websites and organizations help people research and find a PAP for one or more medications.

Finding and applying to PAPs can take time, persistence and patience. Each program is different and programs may differ even if offered by the same company. Most applications can be done either online or by phone and some require additional information from your doctor, financial documents to verify income, and information regarding the applicant's status in Part D. In addition, some programs require beneficiaries to have spent a certain amount of money on prescription drugs for the calendar year before offering assistance.

For more information, call Medicare at 1-800-633-4227 or visit [www.medicare.gov](http://www.medicare.gov). Medicare prices for the 200 most-requested brand-name drugs can be found at [www.medi-cal.ca.gov/sb393inq.asp](http://www.medi-cal.ca.gov/sb393inq.asp).

### **HEALTH INSURANCE COUNSELING AND ADVOCACY PROGRAM**

HICAP serves current Medicare beneficiaries and those planning for future health and long-term care needs. HICAP counseling is confidential and free of charge. Volunteers provide free counseling on public and private health insurance programs. If you would like to set up an appointment in your community or have questions, call your local HICAP at 1-800-434-0222.

## LOW-INCOME SENIORS

The National Council on Aging, through a program called BenefitsCheckUp, offers a free Internet database that screens low-income seniors who might be eligible for assistance. The program helps seniors determine if they are eligible for the Medicaid program that pays for prescription drugs, as well as other benefits such as SSI, food stamps, veteran's assistance and long-term care.

For more information, and to find other websites helpful to seniors, go to **[www.medicare.gov](http://www.medicare.gov)** and select the "Resource Locator" link.

## Drug companies

Most drug manufacturers provide a number of free or discounted prescription drugs for people who can't afford to buy them at retail prices. To be eligible, you must not receive any other drug coverage. Rules vary by company and are based on income.

If eligible, you would apply directly to the manufacturer to receive a drug that has been prescribed by your physician. The manufacturer might send the drug directly to you or to your doctor. Typically, a free supply of drugs would be provided for a limited period; another application would then have to be submitted.

## Generic drugs

A generic drug is a copy of a brand-name drug that has the same strength, quality and performance, but is less expensive. All FDA-approved generic drugs must meet the same



rigid standards as brand-name drugs. More information on generic drugs can be found at the U.S. Food and Drug Administration website: [www.fda.gov/Drugs/ResourcesForYou/default.htm](http://www.fda.gov/Drugs/ResourcesForYou/default.htm).

## Online pharmacies

Buying prescriptions through online pharmacies may offer cost savings, but there are questionable sites that make buying online risky. Potential risks include unapproved or outdated drugs, little or no quality control, and confidentiality and security issues. Here are some dos and don'ts if you choose to purchase prescription drugs online:

- **DO make sure that the website represents a licensed pharmacy with licensed pharmacists in good standing.** Check with the California Board of Pharmacy.
- **DO use only websites that contain a privacy policy** explaining what kind of information they ask for, how they use it, and how consumers can review the policy.





- **DO look for displayed seals** that show websites are “verified internet pharmacy practice sites” **that meet state and federal requirements.**
- **DON’T buy online without knowing all the facts.**
- **DON’T buy from websites** that offer to prescribe a medicine for the first time **without a physical exam by your doctor** or that sell prescription medicines without a prescription.

## Veterans

In 1996, Congress passed the Veterans’ Health Care Eligibility Reform Act, which created a comprehensive health benefits package for all veterans. Veterans must be enrolled in the Department of Veterans Affairs (VA) health care system in order to receive benefits, including prescription drugs at reduced rates. Eligibility is based on service time and income status. Priority levels determine whether copayments are required. Prescription drugs are prescribed by VA healthcare providers and are dispensed by VA pharmacies or mailed directly to the veteran. Widows and dependent children of veterans may also be eligible for prescription drug reimbursements.

For more information, contact any VA health care facility or the VA Health Benefits Service Center.

# Resources

## **MEDICARE**

1-800-633-4227

[www.medicare.gov](http://www.medicare.gov)

## **MEDI-CAL**

Medicare prices for the 200 most-requested brand-name drugs

[www.medi-cal.ca.gov/sb393inq.asp](http://www.medi-cal.ca.gov/sb393inq.asp)

## **HEALTH INSURANCE COUNSELING AND ADVOCACY PROGRAM (HICAP)**

1-800-434-0222

[www.aging.ca.gov/information\\_on/hicap.  
asp](http://www.aging.ca.gov/information_on/hicap.asp)

## **U.S. FOOD AND DRUG ADMINISTRATION**

Information for consumers on generic drugs

1-888-463-6332

[www.fda.gov/Drugs/ResourcesForYou/  
default.htm](http://www.fda.gov/Drugs/ResourcesForYou/default.htm)

## **CALIFORNIA BOARD OF PHARMACY**

Information on on-line pharmacies and pharmacists

1-916-574-7900

[www.pharmacy.ca.gov](http://www.pharmacy.ca.gov)

## **VETERANS ADMINISTRATION HEALTH BENEFITS SERVICE CENTER**

1-877-222-8387 Health Care

1-800-827-1000 Benefits

[www.va.gov/health](http://www.va.gov/health)

## Special groups

For those who are members or employees of special groups, such as the federal government or CalPERS, contact your employer for more information on prescription drug coverage.

## Notes

A collection of various medical bottles and containers, including a large brown bottle, a small white bottle, and several small vials, arranged on a white surface.



## **Senator William W. Monning**

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